

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

TROVER GROUP, INC.,

Plaintiff,

v.

ACTi CORPORATION

Defendant.

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CIVIL ACTION NO. 2:15-cv-2076
JURY DEMAND

PLAINTIFF’S COMPLAINT

1. Plaintiff Trover Group, Inc. (“Plaintiff” or “Trover”) files its Complaint for patent infringement. Plaintiff asserts claims for patent infringement of U.S. Patent No. 5,751,346 (the “’346 Patent”), a copy of which is attached hereto as Exhibit “A” against Defendant ACTi Corporation (“Defendant” or “ACTi”) under 35 U.S.C. § 271, *et seq.* In support thereof, Plaintiff Trover Group, Inc. would respectfully show the Court the following:

PARTIES

2. Plaintiff Trover Group, Inc. (“Trover”) is a Texas corporation with its principal place of business located at 101 East Park Blvd., Suite 600, Plano, Texas 75074. Trover was formerly known as Dozier Financial Corporation.

3. Defendant ACTi Corporation (“ACTi”) is a corporation that has its principal place of business located at 3 Jenner, Suite 160, Irvine, California 92618. ACTi does business in the State of Texas and in the Eastern District of Texas. ACTi does not maintain a registered agent for service of process in Texas. Accordingly, ACTi may be served through the Texas Secretary of

State under the Texas Long Arm Statute. Alternatively, ACTi may be served through any other means permitted by law.

JURISDICTION AND VENUE

4. This is an action for patent infringement arising under the patent laws of the United States, Title 35, United States Code. This Court has exclusive subject matter jurisdiction over this case for patent infringement under 28 U.S.C. §§ 1331 and 1338(a).

5. This Court has personal jurisdiction over Defendant ACTi. ACTi conducts business within the State of Texas and the Eastern District of Texas. ACTi directly or through intermediaries (including distributors, retailers, and others) ships, distributes, offers for sale, sells, and advertises its products in the United States, the State of Texas, and the Eastern District of Texas. ACTi has purposefully and voluntarily placed infringing products in the stream of commerce with the expectation that its products will be purchased by end users in the Eastern District of Texas. ACTi has committed the tort of patent infringement within the State of Texas and this District.

6. Venue is proper in the Eastern District of Texas under 28 U.S.C. §§ 1391(b) and 1400.

7. Trover has enforced its rights under the '346 Patent against numerous infringers over the last several years. Companies against whom Trover has enforced its patent include: Diebold Corporation, Verint Systems, Inc., Tyco Integrated Security, LLC; Sensormatic, LLC; ADT, LLC; March Networks, Inc., 3VR Security, Inc., Vicon Industries, Inc., i3 International, Inc., Dedicated Micros USA, Kaltec Electronics, Inc. d/b/a Digital Watchdog, Pelco, Inc., Panasonic Corporation of North America, USA Vision Systems, Inc., FireKing Security Group, Say Security Group, USA, LLC, HikVision USA, Inc., Hunt Electronics USA, Inc., AXIS

Communications, Inc., T.S. MicroTech, Inc., Unix CCTV Corp, Vitek Industrial Video Products, Inc., Watchnet, Inc., Avant Technologies, Aver Information, Inc., Milestone Systems, Inc., Observint Technologies, Inc., Samsung Techwin America and Telexper Incorporated.

PATENT INFRINGEMENT

8. On May 12, 1998, the United States Patent and Trademark Office (“PTO”) issued the ’346 Patent, entitled “Image Retention and Information Security System,” after a full and fair examination. The ’346 Patent relates generally to video monitoring systems, and in particular to such systems that store images based on the detection of changes in the pixilation between images.

9. The ’346 Patent contains five independent and two dependent claims.

10. The ’346 Patent was originally assigned to Dozier Financial Corporation. Dozier Financial Corporation later changed its name to Trover Group, Inc. Plaintiff Trover is the successor-in-interest to Dozier Financial Corporation and is the assignee of all rights, title and interest in and to the ’346 Patent and possesses all rights of recovery under the ’346 Patent.

Infringement of the ’346 Patent

11. ACTi manufactures and/or sells to customers within the United States numerous video recording devices, including digital video recorders and digital cameras that infringe the ’346 Patent, including but not limited to the following (collectively “Accused Products”):

<u>Cameras</u>					<u>Recorders</u>
B212	D65A	E610	E923	Q111	ENR-1000
B210	D71A	E616	E923M	Q113	ENR-120
B22	D72A	E617	E924	Q12	ENR-130
B24	D81A	E618	E924M	B96	ENR-140
B25	D82A	E61A	E925	B97	ENR-190
B27	D91	E62	E925M	D61	GNR-3000
B41	D92	E62A	E926	D62	INR-320
B410	E12A	E63A	E926M	D64	INR-330
B44	E13A	E64A	E927	D65	INR-410
B45	E14	E65A	E927M	D71	INR-430
	E15	E66A	E928	D72	

B46	E16	E67A	E928M	D81	INR-440
B47	E213	E69	E929	D82	MNR-310
B49	E215	E71A	E929M	E23A	NVR 3
B51	E217	E72A	E93	E25A	Corporate
B52	E21FA	E73A	E94	E61	NVR 3
B53	E21VA	E74A	E95	E62	Enterprise
B54	E222	E75	E96	E63	NVR 3 Standard
B55	E223	E76	E97	E64	ACTi Streaming
B56	E22FA	E77	E98	E65	Activator
B61	E22VA	E815	I24	E66	ENR-1100
B62	E23B	E816	I25	E67	ENR-1200
B64	E24A	E817	I27	E68	ENR-2000
B65	E270	E81A	I45	E71	GNR-2000
B67	E271	E822	I47	E72	INR-420
B81	E31A	E82A	I51	E73	NVR 2.3
B82	E32A	E83A	I71	E74	Enterprise
B84	E33A	E84A	I73	E81	NVR 2.3
B85	E34A	E85A	I91	E82	Professional
B87	E35	E86A	I910	E83	XNR-4200
B910	E36	E89	I912	E84	
B94	E37	E91	I92	E85	
B95	E38	E913	I93	E86	
B96A	E413	E918	I94	E88	
B97A	E415	E918M	I95	I44	
D21FA	E416	E919	I96	KCM-3211	
D21VA	E418	E919M	I97	KCM-3911	
D22FA	E42B	E92	I98	KCM-5211	
D22VA	E43B	E920	KCM-5211E	KCM-5311	
D41A	E44A	E920M	KCM-5511	KCM-	
D42A	E45A	E921	KCM-5611	5311E	
D61A	E46A	E921M	KCM-7111	KCM-7211	
D62A	E47	E922	KCM-7311	KCM7911	
D64A	E48	E922M	Q110	KCM-8111	

12. The Accused Products allow images to be compressed in various digital formats. The Accused Products also include motion detection functionality that compares two digitized images to measure the extent of change from the first image to the second. If the extent of change is greater than a reference value, then the second image is saved. Later the saved images can be retrieved for examination.

13. ACTi tests, demonstrates and provides training on how to operate the Accused Products in the United States. For example, ACTi routinely participates in industry trade shows such as the ISC West trade show held every year in Las Vegas, Nevada. At this trade show, ACTi has displayed one or more of the Accused Products and has provided demonstrations of the various functions and features of those products, including the motion detection feature. In addition, ACTi provides demonstrations of many of its products over its internet website, through which ACTi uses one or more of the Accused Products to teach and demonstrate features such as motion detection. Upon information and belief, ACTi routinely tests the Accused Products in the United States to verify that the products operate as they are designed and intended.

ACTi's Knowledge of the '346 Patent

14. The commercial embodiments of the '346 Patent, namely the IRIS DVS, IRIS Total Vision, and EyzOn Camera products were consistently marked with the patent number for the '346 Patents since each of those products were first introduced. The IRIS DVS and IRIS Total Vision products have been publicly displayed at numerous industry trade shows and conventions held at various locations through the years. Further, the EyzOn Camera, together with the IRIS DVS and IRIS Total Vision products, were publicly displayed at the 2013 ISC West trade show and convention in Las Vegas in May of 2013. ACTi was also an exhibitor at that same trade show. Upon information and belief, employees or representatives from ACTi visited the booth where the IRIS and EyzOn products, and a copy of the '346 Patent were being displayed.

15. The '346 Patent has been cited as prior art with respect to at least 68 patent applications considered by the PTO.

COUNT ONE: PATENT INFRINGEMENT OF THE '346 PATENT

16. Trover realleges paragraphs 1 through 15 herein.

17. By testing and demonstrating the operations and functionalities of the Accused Products in the United States, including but not limited to the motion detection feature or functionality, ACTi has directly infringed at least Claim 7 of the '346 Patent, either literally or through the doctrine of equivalents. In addition, by selling and offering to sell these products to customers in the United States, and instructing those customers to use these products such that those customers would directly infringe one or more claims of the '346 Patent, ACTi has actively, intentionally, and/or knowingly induced or contributed to the infringement of at least Claim 7 of the '346 Patent by others, either literally or through the doctrine of equivalents.

18. The Accused Products have no substantial uses that did not infringe the '346 Patent.

MISCELLANEOUS

19. Trover has satisfied all conditions precedent to filing this action, or any such conditions that have not been satisfied have been waived.

20. Through this pleading, Trover has not elected any one remedy to which they may be entitled, separately or collectively, over any other remedy.

RELIEF

Plaintiff Trover respectfully requests the following relief:

- A. That the Court award damages to Plaintiff Trover to which it is entitled;
- B. That the Court award pre-judgment and post-judgment interest on such damages at the highest rates allowed by law;
- C. That the Court award such other and further relief, at law or in equity, as the Court deems just and proper.

A JURY TRIAL IS DEMANDED BY PLAINTIFF TROVER GROUP, INC.

Respectfully submitted,

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